RAJYA SABHA

Tuesday, the 6th July, 2004/15 Asadha, 1926 (Saka)

The House met at eleven of the clock,
MR. CHAIRMAN *in the Chair.*

श्री मोती लाल वोरा (छत्तीसगढ़): सभापति जी, वे लोग कहां गए?

श्री सभापति: मुझे जानकारी मिली है कि उन्होंने आज कार्यवाही का बहिष्कार किया है।

श्री प्रेम गुप्ता (बिहार): तेलगी से मिलने गए हैं क्या?

श्री सभापति: अब लालू जी से मिलने गए हैं या तेलगी से मिलने गए हैं, उनसे पूछकर बताऊंगा।

MEMBER SWORN

Shri Nand Kishore (Uttar Pradesh)

ORAL ANSWERS TO QUESTIONS

FDI in civil aviation sector

*21. PROF. ALKA BALRAM KSHATRIYA:
DR. T. SUBBARAMI REDDY:†

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether he recently met the Minister of Commerce to discuss broad contours of allowing foreign direct investment in civil aviation sector and chart out a road map for putting in place a civil aviation policy which would send the right message to investors;

(b) whether Government are also keen to bring out greater transparency in the Rs. 20,000 crores worth aircraft fleet acquisition plan of Air India and Indian Airlines; and

(c) if so, to what extent Government are providing help and assistance to improve Air India and Indian Airlines?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) to (c) A Statement is laid on the Table of the House.

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†The question was actually asked on the floor of the House by Dr. T. Subbarami Reddy.

Statement

(a) Yes, Sir.

(b) Yes, Sir. Both Air India and Indian Airlines are following the established procedure for selection of aircraft for their fleet.

(c) Government has given free hand to Air India and Indian Airlines to make improvements in their operation on continuous basis. The fleet acquisition plan of Air India and Indian Airlines would be considered by Government in accordance with extant rules and procedures laid down for investment in public sector undertaking.

श्री सभापति: डा॰ टी॰ सुब्बारामी रेड्डी। आप तो तैयार ही रहते हैं। ...(व्यवधान)... पहला क्वैश्चन नहीं, आगे भी कहीं कहीं आप सहयोगी बने हैं।

श्री मोती लाल वोरा: सर, क्या कारण है कि सुब्बारामी रेड्डी जी का नाम आता है? इसका कोई राज है क्या?

श्री सभापति: इसका राज पता करने के लिए मैं आपको अधिकृत करता हूं। मैंने बहुत प्रयत्न कर लिया है जानने का, कि क्या राज है।

श्री प्रेम गुप्ता: सर, इसकी जेपीसी बैठा दीजिए। ...(व्यवधान)

DR. T. SUBBARAMI REDDY: Sir, it is sheer hard work and concentration.

SHRI MOTILAL VORA: Sir, we too, have put in lot of hard work like you.

DR. T. SUBBARAMI REDDY: Sir, to my question whether Government are also keen to bring out greater transparency in the Rs. 20,000 crores worth aircraft fleet acquisition plan of Air India and Indian Airlines, the hon. Minister has replied that the Government has given a free hand to Air India and Indian Airlines to make improvements in their operation on a continuous basis. In this connection, I would like to say something. Sir, we are all aware that the Indian Airlines airbuses have grown quite old. Also, some of the Air India flights have become quite old. I would like to know whether the hon. Minister has got any comprehensive plan to replace these old crafts and whether any future acquisition of new flights is being contemplated.

SHRI PRAFUL PATEL: Sir, it is a fact that we are suffering on account of capacity constraints and ageing aircraft, for both our national carriers, Air India and Indian Airlines. In fact, just to bring to the notice of the House, Sir, the last planes for the Indian Airlines were brought during 1989 and considerable time has elapsed, almost 16 years, since then.

Internationally, Sir, most airlines are going in for younger and better fleet and more capacity. As a result, we are facing tremendous competition and it is affecting our services also, both in terms of quality as well as in terms of technical support. Besides this, the Air India has a very small fleet mostly having ageing aircrafts. Their average age is well above 15 years. Therefore, the fleet acquisition programme of Air India and Indian Airlines is being looked into and we will consider the suggestions made by the hon. Member at the earliest.

DR. T. SUBBARAMI REDDY: I would like to know whether the hon. Minister has any plan to acquire small planes, which will be able to fly in small places.

SHRI PRAFUL PATEL: Sir, it is a fact that smaller centres in the country are not being actively serviced because most of the aircrafts flying within the country are larger aircrafts having 120 and more seats. However, in the past few years, there has been an improvement in this front by induction of smaller aircrafts. Alliance Air, a subsidiary of Indian Airlines, has brought in 80 hours services for the north-east. Other airlines in the private sector have also started operating with smaller aircrafts. The Government has also done its bit to promote smaller aircrafts flying more within the country so that the smaller towns, which are so far not connected by air services, can be brought into the net. In cases of bigger cities also, if there are more number of smaller aircrafts operating between two sectors, more number of flights can be given so that passengers have a choice. The Government has, in fact, for 80 seaters and below in the case of turbo crafts, waived the landing and navigation charges and also has given concessions on account of fuel, especially by making ATF, which is one of the most important components of operating cost of an aircraft, 'declared goods category'. We are actively considering and promoting the sector by induction of small aircrafts.

SHRI SANTOSH BAGRODIA: Thank you, Mr. Chairman, Sir, Recently, there was a news item that Deccan Airlines is introducing some no frill sectors, or, there will be airlines charging Rs. 500 per sector. I would like to know from the hon. Minister, how he plans to compete with this kind of airlines where the charge is Rs. 500, which is the tax portion in the case of Indian Airlines and other airlines.

Secondly, Sir, in Rajasthan, Bhilwara is the most important industrial district of the State. There is a small airport. Will the hon. Minister

consider connecting it to Delhi, Mumbai and Vododara? Now Bhilwara is the second most important textile centre after Mumbai. It is a very important sector. Does he have any plan for connecting Bhilwara?

SHRI PRAFUL PATEL: Sir, both questions are completely different. However, I will attempt to answer both. The first question is regarding the pricing of some new carriers, which the hon. Member has mentioned. Sir, there is a considerable debate going on within the country regarding the low-cost carriers. Unfortunately, Sir, there is nothing like a concept of low-cost within the country because our overall sector itself is not very mature and not very big enough in size to take this concept aggressively forward. However, we do not have any controls over pricing of tickets by airlines, but, as the hon. Member has indicated, some airlines are attempting to come with low-cost concepts. But the Ministry, as a rule, has not given any relaxation or concession so that they are able to operate at the lowest price.

We strictly follow the rules established for all airlines, scheduled airlines, and that includes the route disposal guidelines where connectivity to other places, smaller remote places. As per the existing guidelines, these have to be adhered to. And, as the Ministry *per se*, we do not dictate the price of tickets for any airlines.

MR. CHAIRMAN: Shri Motilal Vora.

SHRI PRAFUL PATEL: Sir, he wants to know about Bhilwara. Right now, Bhilwara is not on the map, but as I mentioned...*(Interruptions)*. there is a deviation. But, we will definitely consider his request.

श्री मोती लाल वोरा: माननीय सभापति महोदय, मैं माननीय नागर विमानन मंत्री जी से यह जानना चाहता हूं कि विदेशी प्रत्यक्ष निवेश की उन्होंने जो अनुमति दी है, उसकी विस्तृत योजना क्या है और कितना विदेशी प्रत्यक्ष निवेश किया जाएगा और वाणिज्य मंत्रालय का इसमें किस हद तक योगदान रहेगा? इसी से संबंधित सवाल यह है कि एयर इंडिया और इंडियन एयरलाइंस, वर्ष 2004 और 2005 के दौरान कितने विमान अपने बेड़े में शमिल करेंगे? माननीय मंत्री जी ने कहा कि 1989 के बाद नए विमान नहीं आए हैं। उसमें सुधार लाने की जो एक सतत प्रक्रिया है, पूरी स्वतंत्रता देने का क्या आशय है और इससे विमान यात्रियों को कितना लाभ मिलेगा, इतना ही मैं जानना चाहता हूं।

श्री सभापति: पूरी स्वतंत्रता का अर्थ आप अच्छी तरह से समझते हैं, फिर पूछ क्यों रहे हैं?

श्री मोती लाल वोरा: मैं नागर विमानन मंत्री जी से पूछ रहा हूं कि पूरी स्वतंत्रता उन्होंने दे

दी है, इस पूरी स्वतंत्रता का क्या आशय है? जो विदेशी प्रत्यक्ष निवेश आएगा, उसकी कितनी अनुमति आपने दी है?

श्री प्रफुल्ल पटेल: माननीय सदस्य ने जो प्रश्न पूछा है, उसमें उन्होंने फॉरेन डॉयरेक्ट इन्वैस्टमेंट के बारे में पूछा है। हमारे भारतीय ऐविएशन सैक्टर में फिलहाल हमारी नीति के आधार पर 40 प्रतिशत विदेशी निवेश हो सकता है और उस 40 प्रतिशत में एक शर्त यह है कि कोई भी विदेशी एयरलाइंस इसमें हिस्सा नहीं ले सकती है। यह हमारी वर्तमान पालिसी है। जहां तक वाणिज्य मंत्रालय का सवाल है, यह पालिसी existing है और इसमें अभी तक हमने कोई परिवर्तन प्रपोज नहीं किया है। इस बारे में कई प्रकार की रिकमेंडेशंस आई हैं जो हमारे मंत्रालय के विचाराधीन हैं।

जहां तक आपने विमान की बात कही है, विमान लेने की प्रक्रिया, यह एक ऑन गोइंग प्रोसेस है लेकिन वर्तमान समय में जब तक हम नए विमान नहीं खरीदते हैं, तब तक एयर इंडिया और इंडियन एयरलाइंस लीजिंग के माध्यम से अपनी कैपेसिटी को पूरा करने की कोशिश कर रहे हैं और यह प्रक्रिया निरंतर जारी है। अगले साल भी जितने विमानों की आवश्यकता होगी, उन्हें खरीदने के पूर्व, हम लीजिंग के माध्यम से उस कमी को पूरा करने की कोशिश करेंगे।

*22. [*The questioner (Shrimati N.P. Durga) was absent. For answer vide pages 28-29.*]

Interest rate on fresh loan to States

*23. Dr. T. SUBBARAMI REDDY:†
SHRI MOOL CHAND MEENA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to ease the fiscal stress of States by planning a 50-100 basis point cut in the interest charged on fresh loans to States;

(b) if so, whether reduction in interest rate on plan loans has provided some relief in easing their debt burden;

(c) if so, what is the total reduction of interest rate on fresh loans in 2004-05;

(d) to what extent this reduction of interest rate has provided relief to States; and

(e) which States have been benefited?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) The matter is under consideration.

†The question was actually asked on the floor of the House by Dr. T. Subbarami Reddy.